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ABSTRACT

In the mid-1990s the Board of Directors at the Saskatchewan Institute of Applied Science and Technology (SIAST) fused four separate institutes and an administrative center to form a single postsecondary institute with a broad Provincial focus. From this experience, the Board of Directors formed a governance strategy of policy and procedure development described as "eclectic." This approach encourages outward vision, strategic leadership, group responsibilities, a clear distinction between Board and CEO role, and diversity in viewpoints of constructive dissent. In accordance, the Board Committees are structured to reflect a policy-oriented Board of Directors in which a structured business plan approach outlines how SIAST plans to achieve the goals of the Saskatchewan Training Strategy. The paper also advocates the development of governance practices grounded in experience and field research. It is asserted that in areas such as organizational governance, the process of reflection in action and the communication between directors as they study best practices is a professional development strategy with significant potential to assist current and future leadership in colleges. (SKF)

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Reflection of a Board Chair

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Reflections of a Board Chair

Prof. Paul J. Dudgeon, Chair, Board of Directors

Saskatchewan Institute of Applied Science and Technology (SIAST)

Quebec City, June 1999

Association of Canadian Community Colleges (ACCC)

1st World Congress of Colleges and Polytechnics

SPEAKING NOTES

This morning I would like to share with you some key reflections from my perspective as chair of the Board of Directors of the Saskatchewan Institute of Applied Science and Technology (SIAST). Several of my current Board colleagues and I were appointed to the SIAST Board of Directors in 1992 and our challenge was to provide adult career education and training through an organization that had lost its identity and sense of purpose. Out of necessity, we were actively involved in the management of SIAST until a competent operational team was in place. By 1995, with the completion of an "organizational turnaround", we began to focus our attention on governance — not only to provide strong leadership for the organization — but also to advance our expertise as members of a board.

The Board of Directors of SIAST also undertook a major "patching" of SIAST and focused on the development of strategic processes to prepare SIAST to meet the challenges of the new Saskatchewan Training Strategy. [Eisenhardt and Brown 1999]. We effectively "stitched" together four institutes and an administrative center and created a single post-secondary institute with a broad Provincial focus.

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By the mid-nineties, we knew that our goal was to be the kind of board that Ram Charan describes in his book, *Boards at Work*. Mr. Charan writes: "Boards add value through open, trusting dialogue—among directors and between directors and the management team (including the CEO, of course). The content of that dialogue must be significant to the success of the business. When the dialogue is focused on issues of strategy, organizational capability, and performance against objectives, when the best minds are allowed to absorb information, ask questions, and probe the assumptions, when every person in the room speaks with candor and listens with respect, the excitement builds and the energy flows. The intellectual output is superb" [Charan 1998].

We began looking at governance models, including the Carver model, in an effort to enhance our growth as a Board. After considerable study and discussion, we determined that we would be eclectic in our selection of elements and the best practices of board governance models.

Today, I take pride in our growth as a Board — in our style of governance and perhaps more importantly — in our commitment to enhancing our ability to function effectively as board members. Governance is truly a professional activity but it is not always a simple task for board members to avail themselves of professional development opportunities. We aggressively seek opportunities in both the private and public sectors to select, adapt and implement best practices in governance that will enhance our ability to govern SIAST strategically within the post-secondary education sector.

Last year, the Board Vice-Chair, the CEO and I had an opportunity to participate in the Conference Board of Canada's National Workshop for Corporate Directors. The Vice-Chair and I also attended an excellent workshop for board chairs and vice-chairs hosted by Gerry Brown and his ACCC colleagues which allowed us to hone our skills and study the

best board practices in Canadian College system. I have suggested to Gerry Brown that ACCC should continue to support, facilitate and offer governance education opportunities. In fact, I believe it is essential for ACCC to continue to play a major role nationally in Director professional development. ACCC should consider including CEOs at its next Board Chair professional development workshop. My experience at the Conference Board of Canada Corporate Governance Conference suggests that the synergy and output achieved from a Board Chair / CEO team governance education approach would benefit our public sector governors and CEO's.

I was fascinated by the similarity of questions raised and the approaches suggested at the two conferences. The following are a few brief examples of topics discussed by both the corporate chairs and CEO's and the college chairs and vice-chairs and in these two national education programs for directors and governors:

- policy governance
- board chair / CEO relationship - "the chemistry"
- succession planning for boards, CEO's, and senior management
- evaluating and improving board performance
- board accountability
- director professional development
- director and board role in planning
- board member recruitment and selection -- for balance, competence and results
- commitment to board renewal
- board dynamics and board culture
- board communications

- responsibilities of the Board Chair
- board orientation
- director mentoring
- trust

One of the speakers at the ACCC Conference for Board Chairs last January was Rev. Joe Redican. He presented an excellent paper and, in my view, a "case study" on "Challenges to Implementing Policy Governance by Canada's College Boards". Joe's paper certainly mirrored our experience at SIAST. He concluded that Carver's policy governance model was not the quick fix that many colleges had hoped it would be. He suggested that, "real solutions will only be arrived at by ongoing study and dialogue among those involved with college governance. It is unlikely that there will be one solution for all situations. Solutions will vary from province to province and from college to college. Nor will any solution be permanent. Changing circumstances will dictate changing governance practices" [Redican 1999]. This is precisely the reason that at SIAST we see board governance as an area for continuing education and constant review of the current best practices by our directors. Also, we must make sure that the governance model we develop and adopt is appropriate to the needs of our organization. Directors will have a better chance of implementing an appropriate model if they follow an eclectic approach rather than a " latest guru" method.

Until 1990, academics largely ignored the field of governance. In the past few years, there has been an outpouring of work in this area. Articles and books on governance, if they have done nothing else, have received wide attention. They have resulted in numerous workshops and discussions, and focused many directors on the need to examine and improve the governance of public and private sector organizations.

Carver wrote his book *Boards That Make A Difference* in 1990 with an emphasis on the not-for-profit and public sectors. Two significant books published in 1997 and 1998 focus on the corporate sector and best practices. *Making Boards Work* by Professors Leighton and Thain of the Richard Ivey School of Business Administration at the University of Western Ontario and *Boards At Work* by Ram Charan, a noted advisor on corporate governance are two important recent contributions to the field of governance. Each book focuses on the corporate sector and on best practices and cases in governance. These books, in addition to Carver's works, have heightened our awareness that the role of boards is a major and professional area for teaching, learning, and the business of governance improvement.

On a personal note, 35 years ago when I studied business at The Richard Ivey Graduate School of Business at the University of Western Ontario, Don Thain was one of my professors. I certainly did not know back then that today I would be recommending his co-authored book as a "must read" for public sector directors who want to get a perspective on what is possible when one is really serious about improving governance in the service of the public interest.

Leighton and Thain acknowledge that they challenge a lot of conventional wisdom in the governance field and that many of their recommendations are controversial. For example, they question many current director selection processes that are based on informal methods and personal contacts. They discuss assessing the competence and performance of individual directors and examine the role of position descriptions for board chairs and directors [Leighton and Thain 1998].

But back to the task at hand — where is SIAST today in terms of board governance? Our board began with the notion that we were not bad governors; however, we did not

know all there was to know about governance. Our openness to learning about governance translated into a group love of discovering better ways to govern. We have implemented what many of you refer to as "policy governance"; yet, we have done it in an eclectic way that serves SIAST's particular needs rather than following any particular governance guru.

We have articulated Board policies and procedures to reflect our style of governance. Our governance model encourages an outward vision, strategic leadership, group responsibilities, a clear distinction between Board and CEO roles, and diversity in viewpoints or constructive dissent. To reflect our new focus, we structured our Board Committees and developed their mandates to reflect a policy-oriented Board of Directors. Our policies and committees demonstrate our commitment to continuously enhance our governance effectiveness as stewards of the public interest. In our quest for accountability, we have implemented a more structured business plan approach outlining how SIAST plans to achieve the goals of the Saskatchewan Training Strategy. We have established a process for evaluation which includes a board self-evaluation and a model for CEO evaluation. Just a brief commercial — on Monday afternoon, my SIAST Board colleagues and I are presenting a workshop session on CEO Evaluation and we would welcome your participation.

Needless to say, I am personally interested not only in learning about the role of the board chair but also ensuring that the whole SIAST Board has an opportunity to enhance its knowledge base. Events such as the ACCC National Governors Forum are important because they provide an opportunity to dialogue with practicing college and institute governors on a national (and at this particular conference) an international level.

For thirty-five years, as a businessperson, government administrator and business professor, I have found the case method of instruction to be a relevant and key

methodology for teaching and learning in business and public administration. Today as I reflect on the role of board chairs and board governance, I am aware of my personal preference for reference points which are grounded in experience - similar to the approach taken in the books on governance that I referred to earlier. I believe case studies grounded in field research [Leighton and Thain 1998], and the knowledge that flows from a reflection on experience is an appropriate model for boards to use as they consider approaches to professional development in governance [CFDMAS]. New knowledge can be crafted by doing! Knowledge may emanate from reflection in action or a conversation with the situation [CFDMAS]. Yes, there are many different modes for the production of knowledge. The knowledge that emerges from case studies in governance provides a basis for reflection in action [CFDMAS]. I believe that in areas such as organizational governance, the methods of reflection in action and the dialogue between directors as they study best practices and debate case studies, is a professional development methodology that has significant potential to assist the current and future directors of our colleges. We must become active as college directors to document, research and write governance cases based on Canadian experiences and practices in our colleges. These cases can be used in professional development programs and workshops for Canadian College directors. Relevant Canadian College governance learning vehicles are essential if we are to improve our practice of governance. ACCC should play a major role in establishing a National Canadian College Governance Case Research and Writing Program.

In *Making Boards Work*, the authors state that, in Canada; "...we are now launched into an era of substantial and marked improvement in governance." The governance bar is constantly being raised and we, in the college and institute system, must establish our own mechanisms so colleges receive the full benefits that derive from good governance.

Leighton and Thain conclude that, "Developing and maintaining a high level of board competence will be a principal concern of the chairman in the board of the future".

Continuing education is key to improving our governance practices in colleges and institutes. I look forward to the opportunity presented to us over the next few days to meet, discuss and share experiences with the other governors at this First World Congress of Colleges and Polytechnics.

NOTES:

Association of Canadian Community Colleges (ACCC), *Symposium for College and institute Board Chairs and Vice-Chairs – Report to Plenary*, (Victoria, British Columbia, 1999).

Canadian Federation of Deans of Management and Administrative Studies (CFDMAS) *Edging Toward The Year Two Thousand: Management Research and Education in Canada*

Charan, Ram *Boards At Work*, (San Francisco: Jossey –Bass Publishers, 1998).

Eisenhardt, Kathleen M. and Brown, Shona *Patching: Restitching Business Portfolios in Dynamic Markets* (Harvard Business Review, May/June 1999).

Eishehardt and Brown discuss the differences between reorganization and patching. They define patching as, "the strategic process by which corporate executives routinely remap business to changing market opportunities". They also indicate that, "in volatile markets corporate strategy should center on strategic processes more than on strategic positioning".

Redican, Rev. Joseph *Challenges To Implementing Policy Governance by Canada's College Boards* (ACCC Board Chairs and Vice-Chairs Conference, Victoria, 1999).

Leighton, David S. R. and Thain Donald H. *Making Boards Work*, (Toronto: McGraw-Hill Ryerson Limited, 1997).

The Conference Board of Canada *The 1998 Corporate Governance Conference: Strategic Leadership for Global Performance* (Toronto: December 1998).